

Message Text

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PAGE 01 STATE 155135
ORIGIN EB-07

INFO OCT-01 EUR-12 ISO-00 SS-15 SP-02 L-03 IO-13
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DRAFTED BY EB:PHBOEKER:SMCP

APPROVED BY EB:PHBOEKER

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FM SECSTATE WASHDC

TO AMEMBASSY BRUSSELS PRIORITY

INFO AMEMBASSY LISBON

AMEMBASSY PARIS

C O N F I D E N T I A L STATE 155135

E.O. 11652: GDS

TAGS: EFIN, BE, PO

SUBJECT: FINANCIAL ASSISTANCE FOR PORTUGAL

REF: BRUSSELS 7259

1. IT IS GRATIFYING THAT BELGIUM HAS APPARENTLY DECIDED TO PROVIDE UNTIED BALANCE OF PAYMENTS ASSISTANCE TO PORTUGAL THROUGH GOVERNMENT GUARANTEE OF COMMERCIAL BANK LOANS. WHEN YOU ARE OFFICIALLY INFORMED OF BELGIUM'S DECISION IN PRINCIPLE, YOU MIGHT INDICATE THAT WE APPRECIATE THIS BELGIAN ACTION AND RECOGNIZE THAT GOB WOULD HAVE PREFERRED THAT COUNTRIES IN BELGIAN DONOR GROUP ADOPT DIFFERENT MECHANISM (ACTIVATION OF OECD FINANCIAL SUPPORT FUND).

2. YOU SHOULD, HOWEVER, INDICATE TO GOB AT EARLIEST OPPORTUNITY OUR SURPRISE AT SMALL AMOUNT GOB CONTEMPLATES FOR ITS PARTICIPATION IN FINANCIAL SUPPORT FOR PORTUGAL.

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OF THE 11 COUNTRIES THAT HAVE SO FAR INDICATED TO US AN AMOUNT FOR THEIR FINANCIAL ASSISTANCE TO PORTUGAL WITHIN THE FRAMEWORK OF THE DONOR GROUP NONE IS LESS THAN DOL. 10 MILLION (ITALY AND NORWAY INTEND TO PROVIDE THIS AMOUNT). OF THE COUNTRIES WHICH HAVE DECIDED IN PRINCIPLE TO PARTICIPATE ONLY SWEDEN HAS THE QUESTION OF AMOUNT OF ITS CONTRIBUTION OPEN; HOWEVER, IT IS HIGHLY UNLIKELY THAT

THE GOS WOULD CONTRIBUTE LESS THAN AMOUNTS INDICATED BY OTHER DONORS SO FAR. WHILE WE FULLY RECOGNIZE REASONS WHY BELGIAN CONTRIBUTION MAY BE AMONG THE MORE MODEST ONES, WE WOULD HOPE THAT GOB WOULD SEE ADVANTAGES IN MATCHING MINIMUM AMOUNT NOW PROVIDED BY OTHER DONORS, THAT IS DOL. 10 MILLION, RATHER THAN BE SMALLEST SINGLE DONOR. IF, AS WE UNDERSTAND, GOB HAS TO GO TO PARLIAMENT IN ANY EVENT IT WOULD SEEM REASONABLE TO SEEK AN AMOUNT THAT HAS SOME DEFINITE POLITICAL AND ECONOMIC RATIONALE IN THIS CONTEXT; MATCHING THE DOL. 10 MILLION TO BE PROVIDED BY ITALY AND NORWAY WOULD PROVIDE A CLEAR BASIS FOR INDICATING FULL BELGIAN PARTICIPATION IN THE MULTILATERAL EFFORT TO PROVIDE FINANCIAL SUPPORT TO PORTUGAL. CHRISTOPHER

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
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Current Classification: UNCLASSIFIED
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Control Number: n/a
Copy: SINGLE
Sent Date: 02-Jul-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
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Disposition History: n/a
Disposition Reason:
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Format: TEL
From: STATE
Handling Restrictions: n/a
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Legacy Key: link1977/newtext/t19770794/aaaadeck.tel
Line Count: 76
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Litigation History:
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